

Senate File 480 - Reprinted

SENATE FILE 480
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SF 117)

(As Amended and Passed by the Senate March 21, 2011)

A BILL FOR

1 An Act relating to health care and policy, and health care
2 infrastructure and integration of public and private
3 programs, and related matters, and including effective date
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

OFFICE OF HEALTH POLICY

1
2
3 Section 1. Section 135.163, Code 2011, is amended to read
4 as follows:

5 ~~135.163 Health and long-term care access~~ Office of health
6 policy.

7 1. The An office of health policy is created in the
8 department shall coordinate to integrate public and private
9 efforts to develop in formulating and implementing a state
10 health policy agenda. The department shall coordinate the
11 efforts of appropriate divisions within the department to
12 support the work of the office. The state health policy agenda
13 shall accomplish all of the following:

14 a. Develop and maintain an appropriate health care delivery
15 infrastructure and a stable, well-qualified, diverse, and
16 sustainable health care workforce in this state. The health
17 care delivery infrastructure and the health care workforce
18 shall address the broad spectrum of health care needs of Iowans
19 throughout their lifespan including long-term care needs.

20 b. Establish a methodology and process to achieve cultural
21 transformation that emphasizes health and wellness by removing
22 barriers across the spectrum of personal, professional, and
23 community constructs to empower individual behavioral and
24 systemic change.

25 c. Provide for the collection, analysis, and use of cost
26 and quality data to inform decisions by individual consumers,
27 businesses, and policymakers in determining the most effective
28 and efficient use of resources in arriving at economically
29 sustainable health care outcomes.

30 2. The office shall be staffed by a coordinator who is
31 a health economist. The coordinator may utilize existing
32 councils and workgroups as necessary and shall establish
33 a technical advisory council to assist in the development
34 of policy priorities and the strategic plan described in
35 subsection 3. The technical advisory council shall include

1 but is not limited to representatives of the university of
2 Iowa college of public health and the university of Iowa
3 public policy center, health planners, health care consumers,
4 health care purchasers, state and local agencies that regulate
5 entities involved in health care, health care providers, and
6 health care facilities.

7 3. The department office of health policy shall, at a
8 minimum, do all of the following:

9 1. a. Develop a strategic plan for health care delivery
10 infrastructure and health care workforce resources in this
11 state in accordance with section 135.164. The office shall
12 act as an ongoing resource to the health facilities council in
13 evaluating and updating the certificate of need program.

14 2. b. Provide for the continuous collection of data to
15 provide a basis for health care strategic planning and health
16 care policymaking decision making by individual consumers,
17 businesses, and policymakers.

18 3. Make recommendations regarding the health care delivery
19 infrastructure and the health care workforce that assist
20 in monitoring current needs, predicting future trends, and
21 informing policymaking.

22 c. Develop and implement a blueprint to make Iowa one of the
23 healthiest states by the year 2014.

24 Sec. 2. Section 135.164, Code 2011, is amended to read as
25 follows:

26 **135.164 Strategic plan.**

27 1. *Development of a strategic plan.* The office
28 shall develop a strategic plan for health care delivery
29 infrastructure and health care workforce resources. The
30 strategic plan shall describe the existing health care system,
31 describe and provide a rationale for the desired health
32 care system, provide an action plan for implementation of
33 changes necessary to achieve the desired health care system,
34 and provide methods to evaluate the system. The plan shall
35 incorporate expenditure control methods and integrate criteria

1 for evidence-based health care. The ~~department~~ office shall
2 do all of the following in developing the strategic plan ~~for~~
3 ~~health care delivery infrastructure and health care workforce~~
4 ~~resources~~:

5 *a.* Conduct strategic health planning activities related to
6 preparation of the strategic plan.

7 *b.* Develop a computerized system for accessing, analyzing,
8 and disseminating data relevant to strategic health planning.
9 The ~~department~~ office may enter into data sharing agreements
10 and contractual arrangements necessary to obtain or disseminate
11 relevant data.

12 *c.* Conduct research and analysis or arrange for research
13 and analysis projects to be conducted by public or private
14 organizations to further the development of the strategic plan.

15 ~~*d.* Establish a technical advisory committee to assist in~~
16 ~~the development of the strategic plan. The members of the~~
17 ~~committee may include but are not limited to health economists,~~
18 ~~representatives of the university of Iowa college of public~~
19 ~~health, health planners, representatives of health care~~
20 ~~purchasers, representatives of state and local agencies that~~
21 ~~regulate entities involved in health care, representatives~~
22 ~~of health care providers and health care facilities, and~~
23 ~~consumers.~~

24 2. *Guiding principles.* The strategic plan shall include
25 statewide health planning policies and goals related to the
26 availability of health care facilities and services, the
27 availability of appropriate health care workforce resources,
28 health and wellness promotion, the quality of care, and the
29 cost of care. The policies and goals shall be based on the
30 following principles:

31 *a.* That a strategic health planning process, responsive to
32 changing health and social needs and conditions, is essential
33 to the health, safety, and welfare of Iowans. The process
34 shall be reviewed and updated as necessary to ensure that the
35 strategic plan addresses all of the following:

- 1 (1) Promoting and maintaining the health of all Iowans.
- 2 (2) Providing accessible health care services through the
3 maintenance of an ~~adequate~~ appropriate and sustainable supply
4 of health facilities and an ~~adequate~~ a competent workforce
5 reserve.
- 6 (3) Controlling excessive increases in costs.
- 7 (4) Applying specific quality criteria and population
8 health indicators.
- 9 (5) Recognizing prevention and wellness as priorities ~~in~~
10 ~~health care programs to improve quality and reduce costs and~~ and
11 promoting prevention and wellness across all sectors to improve
12 individual well-being and health outcomes, while reducing human
13 and financial costs.
- 14 (6) Addressing periodic priority issues including disaster
15 planning, public health threats, and public safety dilemmas.
- 16 (7) Coordinating health care delivery and resource
17 development efforts among state agencies including those tasked
18 with facility, services, and professional provider licensure;
19 state and federal reimbursement; health service utilization
20 data systems; and others.
- 21 (8) Recognizing long-term care as an integral component of
22 the health care delivery infrastructure and as an essential
23 service provided by the health care workforce.
- 24 *b.* That both consumers and providers throughout the state
25 must be involved in the health planning process, outcomes of
26 which shall be clearly articulated and available for public
27 review and use.
- 28 *c.* That the supply of a health care service has a
29 substantial impact on utilization of the service, independent
30 of the effectiveness, medical necessity, or appropriateness of
31 the particular health care service for a particular individual.
- 32 *d.* That given that health care resources are not unlimited,
33 the impact of any new health care service or facility on
34 overall health expenditures in this state must be considered.
- 35 *e.* That excess capacity of health care services and

1 facilities places an increased economic burden on the public.

2 *f.* That the likelihood that a requested new health care
3 facility, service, or equipment will improve health care
4 quality and outcomes must be considered.

5 *g.* That development and ongoing maintenance of current and
6 accurate health care information and statistics related to cost
7 and quality of health care and projections of the need for
8 health care facilities and services are necessary to developing
9 an effective health care planning strategy.

10 *h.* That the certificate of need program as a component
11 of the health care planning regulatory process must balance
12 considerations of access to quality care at a reasonable
13 cost for all Iowans, optimal use of existing health care
14 resources, fostering of expenditure control, and elimination of
15 unnecessary duplication of health care facilities and services,
16 while supporting improved health care outcomes.

17 *i.* That strategic health care planning must be concerned
18 with the stability of the health care system, encompassing
19 health care financing, quality, and the availability of
20 information and services for all residents.

21 3. Components of the strategic plan. ~~The health care~~
22 ~~delivery infrastructure and health care workforce resources~~
23 strategic plan developed by the ~~department~~ office shall include
24 all of the following:

25 *a. Assessment and objectives.* A health care system
26 assessment and objectives component that does all of the
27 following:

28 (1) Describes state ~~and regional~~ population demographics,
29 health status indicators, and trends in health status and
30 health care needs.

31 (2) Identifies key policy objectives for the state health
32 care system related to access to care, health care outcomes,
33 quality, and cost-effectiveness.

34 *b. Certificate of need determinations.* A health care
35 facilities and services plan that assesses the demand for

1 health care facilities and services to inform state health care
2 planning efforts and direct certificate of need determinations
3 for those facilities and services subject to certificate of
4 need. The plan shall include all of the following:

5 (1) An inventory of ~~each geographic region's~~ existing
6 health care facilities and services.

7 (2) Projections of the need for each category of health care
8 facility and service, including those subject to certificate
9 of need.

10 (3) Policies to guide the addition of new or expanded health
11 care facilities and services to promote the use of quality,
12 evidence-based, cost-effective health care delivery options,
13 including any recommendations for criteria, standards, and
14 methods relevant to the certificate of need review process.

15 (4) An assessment of the availability of health
16 care providers, public health resources, transportation
17 infrastructure, and other considerations necessary to support
18 the needed health care facilities and services ~~in each region~~.

19 *c. Data resources.* A health care data resources plan that
20 identifies data elements necessary to properly conduct planning
21 activities and to review certificate of need applications,
22 including data related to inpatient and outpatient utilization
23 and outcomes information, and financial and utilization
24 information related to charity care, quality, and cost. The
25 plan shall provide all of the following:

26 (1) An inventory of existing data resources, both public
27 and private, that store and disclose information relevant
28 to the health care planning process, including information
29 necessary to conduct certificate of need activities. The plan
30 shall identify any deficiencies in the inventory of existing
31 data resources and the data necessary to conduct comprehensive
32 health care planning activities. The plan may recommend that
33 the ~~department~~ office be authorized to access existing data
34 sources and conduct appropriate analyses of such data or
35 that other agencies expand their data collection activities

1 as statutory authority permits. The plan may identify any
2 ~~computing~~ information technology infrastructure deficiencies
3 that impede the proper storage, transmission, and analysis of
4 health care planning data.

5 (2) Recommendations for increasing the availability of data
6 related to health care planning to provide greater community
7 involvement in the health care planning process and consistency
8 in data used for certificate of need applications and
9 determinations. The plan shall also integrate the requirements
10 for annual reports by hospitals and health care facilities
11 pursuant to section 135.75, the provisions relating to analyses
12 and studies by the department pursuant to section 135.76,
13 the data compilation provisions of section 135.78, and the
14 provisions for contracts for assistance with analyses, studies,
15 and data pursuant to section 135.83.

16 ~~d.~~ e. Evaluation of trends. An assessment of emerging
17 trends in health care delivery and technology as they relate to
18 access to health care facilities and services, quality of care,
19 and costs of care. The assessment shall recommend any changes
20 to the scope of health care facilities and services ~~covered by~~
21 ~~the certificate of need program~~ that may be warranted by these
22 emerging trends. In addition, the assessment may recommend
23 any changes to criteria used by the department to review
24 certificate of need applications, as necessary.

25 ~~e.~~ f. Rural health care resources plan. A rural health care
26 resources plan to assess the availability of health resources
27 in rural areas of the state, assess the unmet needs of these
28 communities, and evaluate how federal and state reimbursement
29 policies can be modified, if necessary, to more efficiently and
30 effectively meet the health care needs of rural communities.
31 The plan shall consider the unique health care needs of rural
32 communities, the adequacy of the rural health care workforce,
33 and transportation needs for accessing appropriate care.

34 ~~f.~~ g. Workforce resources plan. A health care workforce
35 resources plan to assure a competent, diverse, and sustainable

1 health care workforce in Iowa and to improve access to health
2 care in underserved areas and among underserved populations.
3 The plan shall include the establishment of an advisory council
4 to inform and advise the department and policymakers regarding
5 issues relevant to the health care workforce in Iowa. The
6 health care workforce resources plan shall recognize long-term
7 care as an essential service provided by the health care
8 workforce.

9 *h. Blueprint for a healthy Iowa.* A blueprint for a
10 healthy Iowa to provide a methodology and process for cultural
11 transformation that emphasizes health and wellness by removing
12 barriers across the spectrum of personal, professional, and
13 community constructs to empower individual behavioral and
14 systemic change. The blueprint shall provide for coordination
15 of existing public and private health and wellness initiatives
16 and shall include recommendations for replication of health and
17 wellness initiatives for which evidence-based success has been
18 demonstrated.

19 *i. Long-term living plan.* A long-term living plan that
20 reflects the intent specified in section 231F.1 in a manner
21 that most effectively and efficiently meets the needs of
22 Iowa's population. The plan may include recommendations
23 for modification of requirements for certificate of need
24 determinations, health care workforce requirements, and funding
25 to promote the specified intent.

26 ~~4. The department shall submit the initial statewide health~~
27 ~~care delivery infrastructure and resources strategic plan to~~
28 ~~the governor and the general assembly by January 1, 2010, and~~
29 ~~shall submit an updated strategic plan to the governor and the~~
30 ~~general assembly every two years thereafter.~~

31 4. The office shall develop a timeline for completion and
32 submission of the various components of the strategic plan to
33 the governor and the general assembly and shall submit the
34 proposed timeline to the governor and the general assembly by
35 October 1, 2011.

1 the election of the state board of regents or the governmental
2 subdivision respectively may, utilize a request for proposals
3 process to contract for the provision of medication therapy
4 management services for eligible employees who meet any of the
5 following criteria:

6 (1) An individual who takes four or more prescription drugs
7 to treat or prevent two or more chronic medical conditions.

8 (2) An individual with a prescription drug therapy problem
9 who is identified by the prescribing physician or other
10 appropriate prescriber, and referred to a pharmacist for
11 medication therapy management services.

12 (3) An individual who meets other criteria established by
13 the third-party payment provider contract, policy, or plan.

14 b. For any contract for medication therapy management
15 services for eligible employees of the state under the purview
16 of the department of administrative services all of the
17 following shall apply:

18 (1) The department shall utilize an advisory committee
19 comprised of an equal number of physicians and pharmacists to
20 provide advice and oversight regarding the contract and the
21 evaluation processes. The department shall appoint the members
22 of the advisory committee from designees of the Iowa pharmacy
23 association, the Iowa medical society, and the Iowa osteopathic
24 medical association.

25 (2) The contract shall require the contractor to provide
26 annual reports to the general assembly detailing the costs,
27 savings, estimated cost avoidance and return on investment, and
28 patient outcomes related to the medication therapy management
29 services provided. The contractor shall guarantee demonstrated
30 annual savings, including any savings associated with cost
31 avoidance at least equal to the contract's costs with any
32 shortfall amount refunded to the state. The department and the
33 contractor shall agree on the terms, conditions, and applicable
34 measurement standards associated with the demonstration of
35 savings. The department shall verify that the demonstrated

1 savings reported by the contractor were attained in accordance
2 with the agreed upon measurement standards. The contractor
3 shall be prohibited from using the contractor's employees to
4 provide the medication therapy management services and shall
5 instead be required to contract with licensed pharmacies,
6 pharmacists, or physicians.

7 c. The fees for pharmacist-delivered medication therapy
8 management services shall be separate from the reimbursement
9 for prescription drug product or dispensing services; shall
10 be determined by each third-party payment provider contract,
11 policy, or plan; and must be reasonable based on the resources
12 and time required to provide the service.

13 d. A fee shall be established for physician reimbursement
14 for services delivered for medication therapy management as
15 determined by each third-party payment provider contract,
16 policy, or plan, and must be reasonable based on the resources
17 and time required to provide the service.

18 e. If any part of the medication therapy management
19 plan developed by a pharmacist incorporates services which
20 are outside the pharmacist's independent scope of practice
21 including the initiation of therapy, modification of dosages,
22 therapeutic interchange, or changes in drug therapy, the
23 express authorization of the individual's physician or other
24 appropriate prescriber is required.

25 Sec. 5. APPLICATION. The department of administrative
26 services shall continue to contract for the provision of
27 medication therapy management services under the initial
28 contract entered into pursuant to 2010 Iowa Acts, chapter 1193,
29 section 166. Upon completion of the initial contract term,
30 the department shall utilize a request for proposals process
31 to subsequently contract for medication therapy management
32 services pursuant to section 135P.1 as enacted in this Act.

33 Sec. 6. EFFECTIVE UPON ENACTMENT. This division of this
34 Act, being deemed of immediate importance, takes effect upon
35 enactment.

DIVISION III

DIRECTIVES FOR INTEGRATION OF PUBLIC AND PRIVATE PROGRAMS

Sec. 7. PLAN FOR SEAMLESS PUBLIC AND PRIVATE PROGRAM

INTEGRATION IN IOWA HEALTH BENEFIT EXCHANGE. The department of human services, division of insurance of the department of commerce, department of public health, department of revenue, department of workforce development, and other appropriate agencies, shall develop a plan to meet the requirements of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, relating to a health benefit exchange. The plan shall address issues relating to eligibility determinations for Medicaid, hawk-i, and tax credit subsidies; information technology and process reengineering; necessary policy, statutory, and regulatory changes; financing; and tools and strategies necessary for implementation. The plan shall provide for integration and seamless operation of the eligibility system, which shall be housed within the department of human services, with the Iowa health benefit exchange, if created. The departments shall submit a joint plan to the joint appropriations subcommittee on health and human services by October 15, 2011.

Sec. 8. BENCHMARK PLAN DEVELOPMENT — ANALYSIS OF INCLUSION

OF BEHAVIORAL HEALTH BENEFITS. The department of human services shall analyze how the inclusion of behavioral health benefits in a benchmark plan developed under the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, would impact the delivery and financing of behavioral health services in the state. The department shall report its findings to the joint appropriations subcommittee on health and human services no later than sixty days following the receipt of federal directives or regulations regarding requirements for benchmark plans.

Sec. 9. FEDERAL FUNDING OPPORTUNITIES. The department of human services, department of public health, division of insurance of the department of commerce, and other affected

1 state agencies shall pursue federal funding opportunities under
2 the federal Patient Protection and Affordable Care Act, Pub.
3 L. No. 111-148, that are consistent with the state's goals
4 and strategies and will provide a net benefit to the state,
5 including but not limited to funding relating to implementation
6 funding for the health benefit exchange and eligibility system
7 planning and implementation. The departments shall coordinate
8 efforts to the maximum extent possible and shall report their
9 activities on a monthly basis to the joint appropriations
10 subcommittee on health and human services.

11 Sec. 10. ALL-PAYER CLAIMS DATABASE PLAN. The department of
12 human services shall develop a plan to establish an all-payer
13 claims database to provide for the collection and analysis of
14 claims data from multiple payers of health care. The plan
15 shall establish the goals of the database which may include
16 but are not limited to determining health care utilization
17 patterns and rates; identifying gaps in prevention and health
18 promotion services; evaluating access to care; assisting with
19 benefit design and planning; analyzing statewide and local
20 health care expenditures by provider, employer, and geography;
21 informing the development of payment systems for providers; and
22 establishing clinical guidelines related to quality, safety,
23 and continuity of care. The plan shall identify a standard
24 means of data collection, statutory changes necessary to the
25 collection and use of the data, and the types of claims for
26 which collection of data is required which may include but are
27 not limited to eligibility data; provider information; medical
28 data; private and public medical, pharmacy, and dental claims
29 data; and other appropriate data. The plan shall also include
30 an implementation and maintenance schedule including a proposed
31 budget and funding plan and vision for the future.

32 Sec. 11. PROVIDER PAYMENT SYSTEM PLAN — PILOT PROJECT.

33 1. The department of human services shall develop a provider
34 payment system plan to provide recommendations to reform the
35 health care provider payment system as an effective way to

1 promote coordination of care, lower costs, and improve quality.
2 The plan shall provide analysis and recommendations regarding
3 but not limited to accountable care organizations, a global
4 payment system, or an episode of care payment system.

5 2. a. If an entity applies for certification from the
6 secretary of the United States department of health and
7 human services prior to January 1, 2012, and is subsequently
8 certified to administer an accountable care organization
9 pilot project, pursuant to the federal Patient Protection and
10 Accountability Act, Pub. L. No. 111-148, the department of
11 human services shall work with the entity to provide access to
12 the complete deidentified claims data of the medical assistance
13 recipients receiving health care services through the pilot
14 project for the purposes of identifying areas of utilization,
15 need, and potential cost savings to the medical assistance
16 program subject to all applicable state and federal laws and
17 regulations. The department may also employ new payment
18 models, information technology, and data analytics provisions
19 necessary to the administration of the pilot project.

20 b. The department of human services shall work with an
21 entity to administer an accountable care organization pilot
22 project, only if the centers for Medicare and Medicaid services
23 of the United States department of health and human services
24 approves participation of the medical assistance program in
25 the pilot project and the entity meets all of the following
26 requirements:

27 (1) At a minimum, includes the participation of a
28 prospective payment system hospital, ten primary care
29 physicians, a home health care practice, a palliative care
30 services, a hospice service, and a community mental health
31 center, all of which agree to be paid under a partial or global
32 payment for identified services.

33 (2) Requires all participating providers to utilize
34 electronic health records.

35 (3) Includes delivery of mental health services to

1 recipients of medical assistance through collaboration with
2 the regional community mental health center, a federally
3 qualified health center, and at least one nursing facility as
4 consistent with any other law enacted by the Eighty-fourth
5 general assembly, 2011 session, that redesigns the mental
6 health delivery system in the state.

7 c. The entity certified to implement the pilot project shall
8 report to the joint appropriations subcommittee for health and
9 human services during the 2012 legislative session detailing
10 the progress and expected outcomes of the pilot project.

11 Sec. 12. EFFECTIVE UPON ENACTMENT. This division of this
12 Act, being deemed of immediate importance, takes effect upon
13 enactment.